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Foreign Crops and MARKETS



VOLUME 57

NUMBER 6

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FOR RELEASE

MONDAY

AUGUST 9, 1948

Issued by the OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

L A T E N E W S

According to the Meteorologic Institute of Hungary, the rainfall during the period of July 1-15 was unusually heavy, and in most parts of the country reached more than twice the usual average.

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Feed grain crops in Sweden are reported to be 15 percent above last year, while hay is 13 percent below.

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Pasture conditions in Denmark were reported as being 63 percent of normal on July 15, compared with 58 percent on July 1. Grazing conditions are expected to improve as the season progresses.

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The 1948 cotton crop in Spain is expected to be about one-third larger than the small crop of 14,000 bales (of 500 pounds gross) produced in 1947. Last year's short crop was attributed to unfavorable weather in some areas, insect infestation, and a sharp reduction in acreage.

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Cotton yields in Peru were reduced in 1947-48 by a heavy bollworm attack late in the season. The 1947-48 crop, contrary to earlier expectations, is not expected to exceed the small 1946-47 crop of 299,000 bales (of 500 pounds gross). This figure includes only 26,000 bales of Pima. Nearly all of the remainder is Tanguis. The area planted in 1947-48 is estimated at 321,000 acres, compared with 309,000 a year ago. Heavy purchases were made by the British Government during March through June. The export movement was relatively heavy during the first 4 months of 1948 with Colombia and Chile accounting for 37 percent of the 70,000 bales exported.

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Mexico's 1948 cotton crop is now estimated at 580,000 bales (of 500 pounds gross), a reduction of 40,000 bales from the last previous estimate. The reduction is due almost entirely to a downward revision in the estimate for the Matamoros district. Export licenses for 300,000 bales from the 1948 crop were previously issued on condition that the crop amounted to at least 600,000 bales. All licenses outstanding on July 16 were suspended until the situation can be reviewed. On the basis of domestic mill requirements of 280,000 bales and a reserve of 60,000 bales for a possible increase in consumption and other contingencies, the quantity for export is expected to be limited to 230,000 bales or less.

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ITALIAN WALNUT FORECAST LARGER THAN LAST YEAR 1/

The 1948 preliminary forecast of walnut production in the Naples-Sorrento district of Italy is 16,500 short tons, unshelled basis, compared with 14,000 tons in 1947 and 13,200 tons in 1946. The anticipated harvest probably will be better than average but not a record. Growers and trade members are awaiting weather developments of the next few weeks to see how heavy a drop will result.

In general, growing conditions all season have been favorable for a good average crop. The continued cool weather and occasional heavy rains are causing the industry some concern. Personal inspection in this district revealed fine, well-developed nuts on all trees with little or no evidence of damage. It is doubtful in the writer's opinion that the drop will be more than normal unless, of course, extraordinarily adverse weather occurs from now until harvest. It is too early to comment accurately on quality but indications and opinions lead to the conclusion that it will be good compared with the poor quality of last year.

The 1947-48 marketing year now closing was far from being as successful from the export angle as a normal prewar year. The exports were to various countries in small lots. Argentina and Egypt are reported to have shown considerable interest not only in the year now closing but in future new crop nuts. The bulk of the harvest of 1947 appears to have been sold in the domestic market. There are no carry-over stocks from the 1947 crop. Official export statistics for the year are not available.

The new marketing year 1948-49 soon to commence is viewed with some optimism as far as exports are concerned. The number of inquiries thus far received for new crop nuts chiefly from Argentina and Egypt has been very encouraging. However, other countries are also interested. The anticipated poor harvest in France, and high prices, has made importing countries turn to Italy for their needs. The current prices of Italian unshelled nuts f.o.b. is slightly over 20 cents per pound. This price probably would increase if the demand from abroad comes in too strongly as growers, noting the activity of the buyers, would hold back for higher prices. The information in Italy regarding quality in Turkey, indicates that country will share little of the new year's trade in walnuts. Italians also feel that few if any nuts will come from China.

1/ Prepared by W. R. Schreiber, International Commodity Specialist
Office of Foreign Agricultural Relations, U. S. Department of Agriculture,
at Naples, Italy, July 14, 1948.

(Tables on following pages)

UNITED STATES: Imports of shelled and unshelled walnuts,
from specified countries, 1946-47, with comparisons

Year 1/	China	France	Italy	Turkey	Other	Total
: Sh. tons	: Sh. tons	: Sh. tons	: Sh. tons	: Sh. tons	: Sh. tons	: Sh. tons
SHELLED						
Average						
1942-43/1946-47	17:	0:	34:	94:	11:	156
1937-38/1946-47	787:	88:	18:	64:	81:	1,038
Annual						
1942-43	62:	0:	0:	0:	0:	62
1943-44	2/	0:	0:	0:	6:	6
1944-45	0:	0:	0:	0:	6:	6
1945-46	0:	0:	39:	165:	35:	239
1946-47	23:	0:	129:	306:	10:	468
1947-48 2/	3:	6:	65:	45:	1:	120
UNSHELLED						
Average						
1942-43/1946-47	2/	0:	23:	0:	5:	28
1937-38/1946-47	2/	3:	24:	0:	8:	35
Annual						
1942-43	0:	0:	0:	0:	0:	0
1943-44	0:	0:	0:	0:	0:	0
1944-45	0:	0:	0:	0:	2/	2/
1945-46	0:	0:	2/	0:	24:	24
1946-47	2/	0:	115:	0:	3:	118
1947-48 3/	0:	0:	3:	0:	0:	3

1/ Crop year basis, October/September. 2/ Less than 1/2 ton. 3/ 8 months only, October through May, 1948.

Compiled from official records of the Bureau of the Census.

UNITED STATES: Exports of shelled and unshelled walnuts,
from specified countries, 1946-47, with comparisons.

Year	1/	Europe	Canada	Cuba	Other	countries:	Total
		Sh. tons	Sh. tons	Sh. tons	Sh. tons	Sh. tons	Sh. tons
<u>SHELLED</u>							
Average							
1942-43/1946-47		1	37		1	27	66
Annual							
1942-43		3	2		6	27	36
1943-44		0	2			11	13
1944-45		0	2			33	35
1945-46		2	96			35	131
1946-47		1	84		1	28	114
1947-48	3/	0	299		5	29	333
<u>UNSHELLED</u>							
Average							
1942-43/1946-47		106	1,206		158	300	1,770
Annual							
1942-43		0	2		68	114	182
1943-44		37	1,024		96	59	1,216
1944-45		0	1,343		178	135	1,656
1945-46		206	2,222		234	648	3,310
1946-47		288	1,442		215	546	2,491
1947-48	3/	28	748		253	695	1,724

1/ Crop year basis, October/September. 2/ Less than 1/2 ton. 3/ 8 months only, October 1947 through May 1948.

Compiled from official records of the Bureau of the Census.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS AND FEEDS

PHILIPPINE RICE PRICES
HIGHEST IN 12 MONTHS

Wholesale prices of Philippine rice during the week ended July 17 were the highest in a year. Milled No. 1 Macan brought \$12.96 to \$13.16 per 100 pounds, the same price as on July 19, 1947. August prices in 1947 began a downward trend, and the lowest point was reached in November before the new crop was harvested. The current price for American remilled is \$8.57 per 100 pounds, the same as that quoted since May 1948. Prices to Philippine producers, however, during the week ended July 17, were the highest in more than a year.

PHILIPPINES: Rice prices per 100 pounds, week ended July 17, with comparisons.

DATE	: Native, Macan Milled		: Imported		: Rough Rice	
	: ex-warehouse, Manila		: First		: Delivered	
	: No. 1	: No. 2	: Class a/		: Cabanatuan	
	: <u>Dollars</u>	: <u>Dollars</u>	: <u>Dollars</u>		: <u>Dollars</u>	
Nov. 1947-High.....	9.31	9.11	12.11		5.29	
Nov. 1947-Low.....	8.30	7.90	12.11		4.54	
May 10-15-High.....	11.54	11.14	8.57		7.06	
May 10-15-Low.....	11.34	10.93	8.57		6.80	
June 14-19-High.....	12.55	12.15	8.57		7.81	
June 14-19-Low.....	12.15	11.74	8.57		7.56	
July 12-17-High.....	13.16	12.96	8.57		8.57	
July 12-17 Low.....	12.96	12.76	8.57		8.32	

a/ American.

Daily Market Report, Bureau of Commerce, Philippine Government.

KOREA COMPLETES
RICE PLANTING

Transplanting of South Korea's rice crop of 1948 was completed about July 20, and the season so far has been generally favorable except for heavy flood damage in a few local areas. The acreage is estimated at 2,750,000 acres, about the same as the 2,753,000 acres a year earlier, and 10 percent larger than the 1940-44 average, according to preliminary reports.

ARGENTINE RICE HARVEST LESS

Argentina's 1947-48 rice crop showed a reduction below that of the year before, even though a larger acreage was planted. The second official estimate places production at 5,497,000 bushels (161 million pounds milled) compared with 5,928,000 bushels (173 million pounds) in 1946-47. The largest decrease was in Salta and Misiones Provinces where the acreage was reduced. Harvests there were 63 and 59 percent less than in the year before, respectively. Before World War II (1935-36/39-40) Argentina produced an annual average of 3,112,000 bushels (91 million pounds) from 52,000 acres.

SPAIN PLANTS RECORD RICE ACREAGE

Spain in the current season planted 6 percent more acreage to rice than in the preceding year. The area is estimated at 138,000 acres compared with 130,000 acres in 1947, and with the previous record of 135,000 acres in 1940. Planting was nearly completed by June 10, and weather through early July was favorable for production.

COTTON AND OTHER FIBER

ITALIAN RAW SILK OUTPUT BELOW EXPECTED DEMAND

Italian raw silk production for 1948 is estimated at only about 1.76 million pounds, the lowest on record and less than one-third of the 1934-38 average from domestic cocoons. Normally, a small quantity of silk is produced from imported cocoons, but recently such production has amounted to only between 1 and 2 percent of the total.

Only about 120,000 ounces of silkworm eggs were expected to be collected for the 1948 season, compared with 361,000 ounces in 1947 and 451,000 in 1941.

The 17.6 million pounds of fresh cocoons produced in Italy in 1948 is approximately 40 percent of the quantity produced in 1947. A yield of about 1.76 million pounds of raw silk can be expected from this season's cocoons. Almost 4.5 million pounds of raw silk were produced in 1947.

Exports of raw silk from Italy in the calendar year 1947 only slightly exceeded 1.8 million pounds and were approximately one-half of the total for 1946 or of the annual average for 1939-42 and only one-third of the annual average prior to 1939. Normally more than one-half of the Italian raw silk output is exported, but only 40 percent of the 1947 production was shipped to foreign markets.

The difficulty in disposing of the 1947 supply of raw silk discouraged Italian production in 1948. It resulted in an output so small that stocks may be exhausted before the next season's crop is ready for market if the demand continues on the present level.

Trade increased in 1948. A total of 1.6 million pounds of raw silk were exported in the first 4 months of 1948 compared with 1.8 million in the calendar year of 1947. The entire silk industry depends upon foreign demand for its successful operation. Normally more than half of the Italian raw silk and a large share of the domestically manufactured silk goods are exported. The silk industry, encouraged by the slight upturn in foreign demand and loath to lose the place it has held in Italy's export trade, is working to increase the output of both raw and manufactured silk in 1949.

Efforts to increase production next season include subsidy payments to producers for both yellow and white cocoons, fixed minimum prices for voluntary amassing of cocoons, and the warehousing of cocoons in anticipation of higher prices for the producers.

(Continued on Page 104)

FRUITS, VEGETABLES AND NUTS

TURKISH HAZELNUT FORECAST LARGER

The 1948 preliminary forecast of hazelnut production in Turkey is 68,700 short tons, unshelled basis, compared with 60,500 tons in 1947 and 90,000 tons in 1946. The forecast exceeds the 5-year average (1942-46) of 61,000 tons by 13 percent and the 10-year average (1937-46) of 55,400 tons by 24 percent.

Weather and growing conditions in general were satisfactory. Growing conditions in the relatively minor Fatsa Ordu region, however, were not satisfactory.

Stocks remaining from the 1947 harvest were estimated at about 13,700 tons, unshelled basis, on July 1. The Filbert Growers Cooperative is reported to be holding about 8,700 tons of this quantity. The balance is in the hands of merchants, exporters, and growers. The bulk of the stocks are of fair average quality. The trade expect most of the present carry-over to be sold before new crop goods come to market towards the end of this month.

Exports during the 1947-48 marketing season to the end of April totalled 15,427 short tons of shelled and 1,423 tons of unshelled, according to official statistics. The export market has not been as active as a year ago. The Turkish Government realized early in the season that unless steps were taken to facilitate exports, a large carry-over would be on hand when new-crop nuts arrived in the market this fall. Authorization was given for exports to Sterling bloc areas totalling 20,435,000 TL (about US\$7,233,000) for shelled nuts and 6,640,000 TL

(about US\$2,350,000) for unshelled nuts. In addition a sum of TL 1,000,000 was authorized for exportation to Iraq, Syria, Trans-Jordan, Palestine, Saudi Arabia, Yemen, Egypt and Cyprus. This measure resulted in a good movement but still was insufficient to move the entire crop.

In May, hazelnuts were added to the list of products which could be exported to de-block funds of persons living abroad. Barter trade in hazelnuts for luxury and other items were authorized. The most important step taken was the abolition of minimum export prices on May 13. Prior to this, many hazelnuts were exported through other countries to hard currency countries such as the United States. The removal of the minimum price resulted in a sudden drop in prices. The minimum export price of \$70 for 200 pounds current quality shelled nuts fell in one day to \$58.00 f.o.b. Istanbul. The prices continued to decline and finally levelled at about \$40. A further blow to the Turkish market was the Swiss offer to sell Spanish hazelnuts at prices lower than Turkish. The Swiss formerly were large buyers of Turkish hazelnuts.

The disturbed condition of the market brought demands from exporters for the re-establishment of minimum export prices. Meetings were held by trade groups and in general, the trade members were unanimous in their demand for the re-establishment. Another meeting is to be held to determine if minimum prices should be applied to the 1948 crop. At present the situation is uncertain but it is expected some policy will be formulated for the new marketing season.

LEBANESE CITRUS PRODUCTION UP 36 PERCENT

Orange production in Lebanon for the 1946-47 season is now estimated at 1,650,000 boxes, according to a report by William D. Brewer, Third Secretary of the American Legation at Beirut. This compares with 1,211,000 boxes produced during the preceding crop year.

The entire Lebanese coast is suitable for citrus orchards but production is hampered by high production costs and plant blights. Valencia oranges can be kept in cold storage for several months but other varieties must be disposed of within 30 days following picking. As a result large quantities of oranges are consumed locally from November when gathering begins in North Lebanon to March when the season ends in South Lebanon. Lemon production in Lebanon estimated at 580,000 boxes is 33 percent higher than the 435,000 boxes produced during the previous season.

FRUIT PRODUCTION PROSPECTS IN ENGLAND AND WALES GOOD

Production of fruit in 1948 in England and Wales, probably will be larger than average but smaller than the unusually large 1947 output, according to a report issued by William Kling, Assistant Agricultural Attache at the American Embassy, London.

Production of apples (dessert and cooking) is estimated for 1948 at 15.9 million bushels, 42 percent below the record crop in 1947 of 27.5 million but 67 percent above the 1935-39 average of 9.5 million. Apples for cider are estimated at 3.7 million, 24 percent below the 4.9 million produced in 1947 and 9 percent above the prewar average of 3.4 million. Yields of early varieties of apples are expected to be good but later varieties may only be average.

Pear production (dessert and cooking) is estimated for 1948 to be 1,232,000 bushels, as compared with 1,729,000 in 1947 and with 778,000 for the 1935-39 average. Sunshine and warmer weather are needed to facilitate pear production. Plum and damson production is estimated at 163,520 tons, about 3,000 less than for the previous year's crop of 166,880 but nearly double the prewar (1935-39) average of 95,166 tons. Cherry production estimated at 28,000 tons is 16 percent below the 33,460 tons produced the previous year and 121 percent above the 1935-39 prewar average of 12,667 tons.

TROPICAL PRODUCTS

EL SALVADOR'S COFFEE PROSPECTS GOOD

Indications are that El Salvador will harvest another large coffee crop during the year beginning October 1, 1948, according to a report from the American Embassy at San Salvador. The Salvador Coffee Company forecasts the 1948-49 production at 1,080,000 bags of coffee for export, which compares with 1,035,000 bags the previous season and 978,000 bags during 1946-47.

Exports of coffee from El Salvador from October 1, 1947, through June 30, 1948 totaled 951,021 bags, indicating that most of the 1947-48 coffee crop had been sold and exported by the end of June. Of this quantity, about 869,000 bags were shipped to the United States.

Port and interior stocks of coffee in El Salvador as of June 30, 1948, were very small, or about 70,000 bags of export coffee. By October 1, 1948, when the new crop year begins, the coffee carryover will be negligible. Thus there will be no unsold surplus during the next season to affect the coffee market adversely.

Interest in El Salvador at present, according to the Embassy's report, is centered on the coffee export tax to be levied during the next season. Under the provisions of Decree No. 258 of January 7, 1948, proposals for the new season's tax are to be made annually by the Executive Power during the first half of October, and legislative action begun by the middle of November. The export tax during the 1947-48 season, was 7 colones per quintal of 46 kilograms or approximately 2.77 cents (U.S.) per pound. The Salvador Coffee Company favors a smaller export tax during 1948-49.

CHINA MAY EXPORT
MORE TEA IN 1948

Exports of tea from China including Taiwan during 1948 may exceed the 1947 total of 36,250,900 pounds according to a report from the American Consulate General in Shanghai.

The report states that the outlook now is more favorable for larger tea exports from China than it has been at any time since the war. The export market is no longer filled with war-year teas and only a small quantity of tea from the 1947 crop remains to be sold. On May 31, 1948, the Chinese Government modified its exchange regulations to permit a fairer return to the exporter, who can now price his tea with less difficulty in the world market, despite the inflationary costs of production. The U.S.S.R., one of China's best prewar customers, is again importing Chinese tea through barter arrangements handled by the Government.

From January to May 1948 China exported 12,500,000 pounds of tea. The United States, Hong Kong, and Morocco were the principal destinations. Of the 36,250,900 pounds exported in 1947, Taiwan supplied 10,500,000 pounds. During 1935-39 exports of tea from China, not including Taiwan, averaged 80 million pounds annually.

CHINA: Exports of tea, by country, 1947 1/

Country	Black	Green	Other	Total
	Pounds	Pounds	Pounds	Pounds
Canada	426,590	10,582	1,102	438,274
United States	2,471,797	1,838,857	287,480	4,598,134
Argentina	18,959	-	-	18,959
United Kingdom	1,179,241	588,408	75,176	1,842,825
Other Europe	336,202	490,082	612,658	1,438,942
Egypt	691,583	457,455	171,297	1,320,335
Morocco	-	11,987,953	9,039	11,996,992
Iran	1,026,462	-	44,974	1,071,436
Hong Kong	4,143,987	3,050,064	2,057,994	9,252,045
Other Asia	431,660	736,115	486,337	1,654,112
All others	1,063,499	1,387,354	167,992	2,618,845
Total	11,789,980	20,546,870	3,914,049	36,250,899

1/ Includes Taiwan.

Foreign Service Report No. 125, Shanghai, July 15, 1948.

COTTON AND OTHER FIBER

(Continued from Page 100)

COTTON-PRICE QUOTATIONS
ON FOREIGN MARKETS

The following table shows certain cotton-price quotations on foreign markets, converted at current rates of exchange:

COTTON: Spot prices in certain foreign markets, and the U. S. gulf-port average

Market location kind, and quality	Date 1948	Unit of weight	Unit of currency	Price in: foreign currency	Equivalent U.S. cents per pound
Alexandria	:	: Kantar	:	:	:
Ashmouni, Good.....	8-5	: 99.05 lbs.	: Tallari	: 68.00	: 56.74
Ashmouni, F.G.F.....	"	: "	: "	: 62.50	: 52.15
Karnak, Good.....	"	: "	: "	:	: (not:quoted)
Karnak, F.G.F.....	"	: "	: "	:	: (not:quoted)
Bombay	:	: Candy	:	:	:
Jarila, Fine.....	8-4	: 78 $\frac{1}{4}$ lbs.	: Rupee	: 638.00	: 24.55
Broach, Fine.....	"	: "	: "	: 818.00	: 31.48
Kampala, East African.....	"	: "	: "	:	: (not:available)
Karachi	:	: Maund	:	:	:
4F Punjab, S.G.Fine.....	8-5	: 82.28 lbs.	: "	: 86.00	: 31.53
289F Sind, S.G., Fine.....	"	: "	: "	: 96.00	: 35.20
289F Punjab, S.G., Fine....	"	: "	: "	: 111.00	: 40.70
Buenos Aires	:	: Metric tons	:	:	:
Type B.....	"	: 220 $\frac{1}{2}$ lbs.	: Peso	: 1/3160.00	: 42.68
Lima	:	: Sp. quintal	:	:	:
Tanguis, Type 5.....	8-3	: 101.4 lbs.	: Sol	: 2/ 235.00	: 35.65
Pima, Type 1.....	"	: "	: "	: 2/ 305.00	: 46.27
Recife	:	: Arroba	:	:	:
Mata, Type 4.....	8-4	: 33.07 lbs.	: Cruzeiro	:	: (not:quoted)
Sertao, Type 4.....	"	: "	: "	: 180.00	: 29.61
Sao Paulo	:	:	:	:	:
Sao Paulo, Type 5.....	8-5	: "	: "	: 193.00	: 31.75
Torreón	:	: Sp. quintal	:	:	:
Middling, 15/16".....	8-5	: 101.4 lbs.	: Peso	: 2/ 162.00	: 3/
Houston-Galveston-New	:	:	:	:	:
Orleans av. Mid. 15/16"...	"	: Pound	: Cent	: XXXXXX	: 31.65

Quotations of foreign markets reported by cable. U.S. quotations from designated spot markets.

1/ Nominal.

2/ Prices omitted from last week's table: For Lima, in soles per Spanish quintal with U.S. cents per pound in parentheses, Tanguis, Type 5, 237.00 (35.95); Pima, Type 1, 295.00 (44.75). For Torreón in pesos per Spanish quintal 162.00 (see footnote 3).

3/ Official exchange rate temporarily not available.

EGYPT'S COTTON ACREAGE
UP 15 PERCENT

The first official report placed Egypt's 1948 cotton acreage at 1,493,000 acres, representing an increase of nearly 15 percent above the final estimate of 1,302,000 acres for 1947. The increase was nearly evenly distributed throughout the country with Lower Egypt accounting for 81,000 acres, Middle Egypt 55,000 and Upper Egypt 55,000.

Water for irrigation was plentiful this year and the condition of the 1948 crop is about normal despite the retarding effect of unfavorable weather in March and April.

Stocks of cotton in Egypt at the end of June 1948 were equivalent to 945,000 bales (of 500 pounds gross) representing a decrease of 36 percent from the 1,477,000 bales on hand a year ago. The figure for 1948 includes about 433,000 bales in possession of the Government, of which 81,500 were earmarked for the U.S.S.R. and 124,000 for others, including the British Raw Cotton Commission. Stocks in possession of local spinners were estimated at 84,000 bales.

Exports during August-June 1947-48 totaled 1,473,000 bales compared with 1,366,000 for a similar period a year ago. The increase of 145,000 bales is accounted for largely by increased exports to the United Kingdom, France, Czechoslovakia, Sweden, Spain, the Netherlands, and Canada. Exports to India, Italy, the United States, China, and Switzerland were lower than for a similar period a year ago.

A representative of the Government of China was reported to be in Egypt early in July to discuss the possibility of an arrangement to exchange Chinese goods for Egyptian cotton. An Indian Trade Mission has also approached the Egyptian Government with a proposal to exchange Indian jute and tea for cotton. No agreement was reached, however, as supplies of jute and tea in Egypt were reported to be adequate for present needs, and the Indian delegates were not satisfied with the prices quoted for Egyptian cotton.

The Alexandria Cotton Futures Market will be reopened on September 1 after being closed since May 1940. Only 2 types of contracts will be available, however. One, based on "Good" Karnak, will cover trade in extra long staple varieties mostly Karnak, Menoufi, and Giza 30. The other, based on "Good" Ashmouni, will cover trade in Ashmouni and Zagora. Trading will open on September 1 for deliveries under the Karnak contract in January, March, May, and July, and under the Ashmouni contract in December, February, April, and June.

Daily fluctuations will be limited to 3 percent of the ruling prices and margins of 10 percent will be required.

LIVESTOCK AND ANIMAL PRODUCTS**UPTURN INDICATED IN SOUTH
AFRICAN WOOL CLIP**

The South African Wool Disposals Organization at Port Elizabeth reports that the wool crop of 1947-48 (June 30, 1947 to July 1, 1948) amounted to 203,271,992 pounds which compares with the preliminary estimate of 208,000,000 pounds for this year and the final estimate of 210,355,284 pounds for the 1946-47 season. Some decline in wool production was expected, but not as much as indicated above. The 1948-49 crop is estimated at 212,625,000 pounds which points to a turn from the downward to an upward trend in wool production.

During the 1947-48 wool season which closed on June 30, Port Elizabeth and East London Wool Exchanges had a turnover of some 15,000,000 pounds. East London shipped about 56,400,000 lbs of wool and Port Elizabeth some 75,000,000 pounds. The South African Wool Disposals Organization released about 39,000,000 pounds for sale. Spokesmen for the wool industry express a general feeling of optimism toward the coming season with world demand expected to keep world prices pegged at their present high level.

**CANADIAN SHEEP CAN NOW
ENTER THE UNITED STATES**

Canadian export controls were abolished effective August 3 for sheep, lambs, mutton and lamb carcasses and by-products. These controls had been in effect since 1942 except for a part of 1944 and 1945. The action apparently was taken by the Canadian Government in view of the approaching heavy marketing season and because the items involved are not included in the United Kingdom meat contract.

Prior to the war, the United States imported 2 to 4 thousand head of sheep, and most of these were for breeding purposes. Export control of sheep in Canada was first established about October 1, 1942 as a part of war-time controls. These controls were temporarily lifted on September 29, 1944 but were re-imposed on July 6, 1945 when meat rationing was reinstituted in Canada. About 135,000 head of sheep and lambs were exported to the United States in the last 3 months of 1944 and about 92,000 head were exported during the first 6 months of 1945 prior to the resumption of export control over sheep and lambs.

In view of the fact that present sheep numbers in Canada are less than 60 percent of the number 4 years ago, it is unlikely that the volume of sheep that will enter the United States during the remainder of 1948 will approach the number that entered in 1944 when controls were lifted.

Present United States tariff duties on sheep and lambs are \$1.50 per head, while rates on mutton and lamb are 2.5 and 3.5 cents per pound respectively.

A year ago the Canadian Government removed its export restrictions on poultry following a failure of the United Kingdom to renew its contract for dressed poultry. Export restrictions on live cattle and hogs and on beef and pork are still in effect. A contract exists between Canada and the United Kingdom for beef and bacon.

Canada: Exports of sheep and lambs to the United States and total exports
1935-47

Year	TO UNITED STATES			TOTAL TO ALL COUNTRIES		
	For	Other	Total	For	Other	Total
	Breeding			Breeding		
	Head	Head	Head	Head	Head	Head
1935	1,681	514	2,195	2,175	1,446	3,621
1936	2,183	591	2,774	2,445	1,088	3,533
1937	2,081	146	2,227	2,383	541	2,924
1938	2,385	74	2,459	2,501	572	3,073
1939	2,804	159	2,963	2,851	489	3,340
1940	3,573	80	3,653	3,629	362	3,991
1941	3,884	140	4,024	3,916	257	4,173
1942 <u>1/</u>	3,858	2,011	5,869	3,872	2,177	6,049
1943	2,795	-	2,795	2,871	560	3,431
1944	3,494	133,927	2/ 137,421	3,546	134,262	2/ 137,808
1945	3,250	97,129	2/ 100,379	3,470	97,440	2/ 100,910
1946	4,424	17	4,441	4,441	212	4,653
1947	5,608	58	5,666	5,647	401	6,048

1/ Export embargo established October 1, 1942. 2/ Export controls lifted last 3 months of 1944 and first 6 months of 1945.

Office of Foreign Agricultural Relations from official sources.

CANADA: NUMBER OF SHEEP ON FARMS, DECEMBER 1,
AVERAGE 1931-35 AND 1936-40,
ANNUAL 1941-47

Year	Number
	Thousands
Average 1931-35.....	2,736
1936-40.....	2,663
1941.....	2,254
1942.....	2,483
1943.....	2,733
1944.....	2,822
1945.....	2,456
1946.....	1,782
1947.....	1,587

Compiled by the Office of Foreign Agricultural
Relations from official sources.

FATS AND OILSEXPORTS OF PALM OIL FROM
NETHERLANDS INDIES RESUMED

Export of palm oil from Sumatra to the Netherlands, representing total shipment from Indonesia for the first 6 months of 1948, amounted to 9,201 short tons. Total official exports for the calendar year 1947 amounted to only 1,758 tons although shipments from Sumatra to Malaya were approximately 2,000 tons additional. Annual exports of palm oil from the Netherlands Indies before the war averaged approximately 214,000 tons.

The recovery of the palm-oil industry in Sumatra is the result of strenuous rehabilitation efforts. Damage to palm-oil estates during the Japanese occupation through neglect and deterioration has been estimated at about \$42,000,000. Factory installations were damaged and in some cases destroyed during the military action in 1947. It is reported that only 50 percent of the prewar labor force is available on the East Coast of Sumatra. Despite these handicaps to production, output in 1948 is now estimated at about 60,000 tons, and production in 1949 is expected to reach 110,000 tons from the areas now controlled by the Netherlands Government.

The prewar productive area in oil palms now under Netherlands control is estimated to be about 150,000 acres compared with a total of 263,000 acres in the Netherlands Indies in 1941. The prewar capacity of the area is estimated at 183,000 tons of palm oil compared with a total productive capacity of 293,000 tons before the war. Within the territory now under Netherlands control the productive area has decreased from 150,000 acres to about 110,000 acres. Of the 18 estates reported in the area, 15 were equipped with palm-oil factories. Of these, 14 were undamaged or have been restored to an operating condition. The condition of the palm-oil estates in the areas controlled by the Republican Government is not known.

The Industry has recovered rapidly since production was resumed in December 1947. Production during that month was reported as 588 tons of palm oil and 18 tons of palm kernels. Production for June 1948 had reached 4,960 tons of palm oil and 882 tons of palm kernels.

MALAYAN PALM-OIL
OUTPUT INCREASING

Malayan palm-oil production during January-June 1948 totaled 22,562 short tons compared with 16,106 in the corresponding months of last year and 43,820 tons during the calendar year 1947. Stocks at the end of June were only 3,394 tons. Of Malaya's 47 oil-palm estates 37 were in production at the end of June.

The United Kingdom is paying producers £84 per long ton (\$300 per short ton) for palm oil delivered in 1948. This is a fixed price of £80 plus the Malayan export duty of £4 per ton. It is expected that after the current year the industry will revert to its 5-year contract with the Ministry of Food. This contract provides a fixed price of approximately \$190 per long ton (\$170 per short ton).

Palm-oil exports amounted to 7,965 tons during January-May 1948 and palm-kernel shipments to 2,052 tons. Comparable figures for the corresponding months of 1947 are not available. Shipments of palm oil reached 50,771 tons in 1947, 7 percent larger than the 1935-39 average. Palm-kernel shipments totaled 5,874 and 8,132 tons, respectively. The United Kingdom was the principal market in prewar years and has received practically the entire shipments since 1945.

MALAYA: Palm-kernels and palm-oil exports, May 1948 with comparisons
(Short tons)

Country	Palm kernels			Palm oil		
	Average: 1935-39	1947	Jan.-May 1948	Average: 1935-39	1947	Jan.-May 1948
Canada.....	-	-	-	9,599	-	-
United States.....	-	-	-	608	-	-
Denmark.....	226	-	-	-	-	-
Germany.....	1,410	-	-	-	-	-
Italy.....	134	-	-	-	-	-
Netherlands.....	1,304	-	-	-	-	-
United Kingdom.....	2,115	5,874	2,052	23,270	49,764	7,965
Other Europe.....	2,886	-	-	54	178	-
Burma.....	-	-	-	187	-	-
India.....	-	-	-	908	-	-
Borneo.....	-	-	-	16	-	-
China.....	-	-	-	-	67	-
Japan.....	46	-	-	922	-	-
Netherlands Indies.....	-	-	-	11	1	-
Philippine Islands.....	-	-	-	87	-	-
Siam.....	-	-	-	293	-	-
Sumatra.....	-	-	-	8	-	-
Egypt.....	-	-	-	251	279	-
Mauritius.....	-	-	-	3	-	-
Portuguese East Africa.....	-	-	-	6	-	-
Union of South Africa.....	-	-	-	97	-	-
Other Africa.....	-	-	-	3	-	-
Australia.....	-	-	-	45	-	-
New Zealand.....	-	-	-	7	-	-
British Possessions.....	-	-	-	10,416	1	-
Other Countries.....	11	-	-	569	481	-
Total.....	8,132	5,874	2,052	47,360	50,771	7,965

Compiled from official sources.

SAC PAULO HARVESTS LARGE OILSEED CROPS

Sao Paulo's (Brazil) 1948 oilseed crops, except cottonseed, are greater than in 1947. The castor-bean output of 87,200 short tons is the largest that State has produced. Peanuts are estimated at 217,700 tons compared with 27,400 last year and 17,400 in 1946. The sesame seed and soybean crops are larger than in 1947 by 48 and 18 percent, respectively. Cottonseed production is expected to be somewhat smaller than a year ago.

SAO PAULO BRAZIL: Production of specified oilseeds, 1946-1948.

Commodity	Unit	1946	1947	1948
Castor beans.....	Short tons	35,200	66,000	87,200
Sesame seed.....	"	-	4,795	7,117
Peanuts.....	"	17,419	27,440	217,715
Soybeans.....	Bushels	-	44,000	52,000

American Consulate General, Sao Paulo, Brazil.

The State of Sao Paulo is again leading in castor-bean production, accounting for 45 percent of the 192,900 tons now estimated for all Brazil (1948). This State also attained first place as an exporter in 1947. Castor-beans are Brazil's most important oilseed export.

The 1948 sesame-seed output of 7,000 tons is a record for Sao Paulo as well as Brazil. This seed has been collected from wild plants in North Brazil for many years, and small quantities have been produced from cultivated acreage in Sao Paulo. Total production, however, has been negligible until the current season.

Peanut production is now second only to cottonseed in Sao Paulo. The 1948 estimate is 217,700 tons, almost 4 times the quantity reported for all Brazil in 1947.

Sao Paulo also produced a record soybean outturn of 52,000 bushels compared with 44,000 in 1947. Normally Rio Grande do Sul accounts for the greater part of this crop, but indications are that dry weather has reduced the outturn by one-third. In 1947 production for all Brazil was 220,500 bushels.

L A T E N E W S

(Continued from Page 92)

The 1947-48 cotton crop in French West Africa is estimated at 14,000 bales (of 500 pounds gross) compared with 9,000 a year ago.

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The Swedish Ministry of Commerce announced on July 23 a further restrictive import policy calling for drastic cuts in hard currency imports for the last half of the calendar year 1948.

As a result, the Ministry expects United States fresh fruit, automobiles and parts, agricultural machinery, electrical materials, paints, certain drugs, cameras and cosmetics to disappear from the Swedish market.

The Government press did not comment on this measure but the Opposition press attacked it sharply and blames the Government's economic and monetary policy for the grave situation. Prominent industrialists warned that the imbalance of Sweden's international payments will be worsened because the enforced curtailment of imports of machinery and raw materials will reduce industrial production, which, in turn, will tend to reduce exports.

Laying part of the responsibility for the dollar shortage to the high price of Swedish exports of wood pulp to the United States, newspapers urged the abolition of the equalization fee on pulp exports, and the depreciation of Swedish currency. In an attempt to stabilize the internal price level, the Swedish Krona was appreciated in July, 1946, by 17.7 percent. The result was a decrease in the price of the U.S. dollar from 4.20 Kr. to 3.60 Kr.

Subsequently Sweden suffered heavy losses of foreign exchange. This caused the Swedish Government to impose severe import restrictions on March 15, 1947. Special arrangements were negotiated with Sweden, designed to limit the effect of these import restrictions on United States exporters as much as possible. ECA assistance to Sweden appears to be open only in the form of loans. It is not likely, however, that Sweden will request such a loan for the import of anything but essentials.

